

EXHIBIT 1

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): December 15, 2022

Core Scientific, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-40046
(Commission
File Number)

86-1243837
(IRS Employer
Identification No.)

210 Barton Springs Road, Suite 300
Austin, Texas
(Address of principal executive offices)

78704
(Zip Code)

Registrant's telephone number, including area code: (512) 402-5233

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|--|----------------------|--|
| Common stock, par value \$0.0001 per share | CORZ | The Nasdaq Global Select Market |
| Warrants, exercisable for shares of common stock | CORZW | The Nasdaq Global Select Market |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.03 Bankruptcy or Receivership***Chapter 11 Filing***

On December 21, 2022, Core Scientific, Inc. (the “Company”) and certain of its affiliates (collectively, the “Debtors”) filed voluntary petitions (the “Chapter 11 Cases”) in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”) seeking relief under Chapter 11 of the United States Code (the “Bankruptcy Code”). The Company is seeking to have the Chapter 11 Cases jointly administered under Case No. 22-90341. The Debtors continue to operate their business and manage their properties as “debtors-in-possession” under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court. The Debtors have filed various “first day” motions with the Bankruptcy Court requesting customary relief that will enable the Company to transition into Chapter 11 protection without material disruption to their ordinary course operations.

The Company expects to enter into a restructuring support agreement (the “Restructuring Support Agreement”) with the Ad Hoc Noteholder Group, representing more than 70% of the holders of its convertible notes.

In connection with the Restructuring Support Agreement, the Ad Hoc Noteholder Group has agreed to provide commitments for a debtor-in-possession facility (the “DIP Facility”) of more than \$57 million and has agreed to support the syndication of up to an additional \$18 million in new money DIP Facility loans to all holders of convertible notes. These funds, along with ongoing cash generated from operations, are anticipated to provide the necessary financing to effectuate the planned restructuring, facilitate the emergence from Chapter 11, and cover the fees and expenses of legal and financial advisors.

The Restructuring Support Agreement will be subject to a “fiduciary out” for the Company to pursue better alternatives. As contemplated, the restructuring will reduce the Company’s funded indebtedness by hundreds of millions of dollars and reduce annual interest expense by tens of millions of dollars.

Pursuant to the contemplated Restructuring Support Agreement, the Company’s existing convertible noteholders will equitize their debt into a significant majority of the common stock of the reorganized company. In addition, holders of general unsecured claims and existing common shareholders would also receive a percentage of reorganized common stock and warrants exercisable for common stock of the reorganized enterprise upon obtaining certain valuation thresholds. Both the common stock and the warrants will enable stakeholders to capture a share of the Company’s future growth.

Item 2.04 Triggering Events That Accelerate or Increase a Direct Financial Obligation of an Obligation under an Off-Balance Sheet Arrangement

The filing of the Chapter 11 Cases constitutes an event of default that accelerated the Company's obligations under the following debt instruments (the "Debt Instruments"):

- Term Loan and Purchase Money Security Agreement, dated as of January 30, 2021, by and between Core Scientific Operating Company (f/k/a Core Scientific, Inc.), as borrower, and Jack Novak, as lender, of which \$10 million aggregate principal amount remain outstanding.
- Payment Agreement, dated as of February 25, 2021, by and between Core Scientific Operating Company (f/k/a Core Scientific, Inc.), as borrower, and Dell Financial Services L.L.C., as lender, related to approximately \$166,000 outstanding aggregate amount of fees.
- Secured Convertible Note Purchase Agreement, dated as of April 19, 2021 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time), by and among Core Scientific Holding Co., the guarantors, U.S. Bank National Association, as note agent and collateral agent, and the purchasers of the notes issued thereunder, governing the 10.00% Convertible Notes due 2025 which mature on April 19, 2025, of which \$215 million aggregate principal amount remain outstanding, excluding accrued PIK interest.
- Convertible Note Purchase Agreement, dated as of August 20, 2021 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time), by and among Core Scientific Holding Co., the guarantors, U.S. Bank National Association, as note agent and collateral agent, and the purchasers of the notes issued thereunder, governing the 10.00% Convertible Notes due 2025 which mature on April 19, 2025, of which \$298.3 million aggregate principal amount remain outstanding, excluding accrued PIK interest.
- Facility and Security Agreement, dated as of December 30, 2021, by and between Core Scientific Operating Company (f/k/a Core Scientific, Inc.), as borrower, and BlockFi Lending LLC, as lender, related to \$6.7 million outstanding aggregate principal amount of loans.
- Facility and Security Agreement, dated as of December 30, 2021, by and between Core Scientific Operating Company (f/k/a Core Scientific, Inc.), as borrower, and BlockFi Lending LLC, as lender, related to \$47.2 million outstanding aggregate principal amount of loans.
- Master Lease Agreement, dated as of December 31, 2021, by and between Core Scientific Operating Company (f/k/a Core Scientific, Inc.), as lessee, and MassMutual Asset Finance LLC, as lessor, of which \$41.4 million aggregate principal amount remain outstanding.
- Master Security Agreement, dated as of March 24, 2022, by and between the Company, as borrower, and Barings Private Credit Corp., Barings Capital Investment Corporation and Barings BDC, Inc. as lenders, of which \$63.8 million aggregate principal amount remain outstanding.
- Bridge Promissory Notes, dated as of April 7, 2022 (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time), by and between Core Scientific, Inc., as borrower, and BRF Finance Co, LLC and B. Riley Commercial Capital, LLC, as Noteholders, related to \$41.8 million outstanding aggregate principal amount of loans.

Also, on December 15, 2022, the Company received written notice from NYDIG ABL LLC (f/k/a Arctos Credit, LLC) ("NYDIG") notifying the Company that it was in default of the Master Equipment Finance Agreement, dated as of October 27, 2020 (the "NYDIG MEFA"), by and between the Company and NYDIG and that NYDIG was declaring the principal amount due and owing under each of the Schedules and all other Obligations (as such terms are defined in the NYDIG MEFA), including all previously instituted default interest at a rate per annum equal to 5.0% and a previously instituted late charge equal to 5.0% on all outstanding Obligations pursuant to Section 12(i) and Section 3(b) of the NYDIG MEFA, respectively. As of December 15, 2022, the outstanding principal amount under the NYDIG MEFA was \$38.6 million.

Any efforts to enforce payment obligations under the Debt Instruments are automatically stayed as a result of the filing of the Chapter 11 Cases and the holders' rights of enforcement in respect of the Debt Instruments are subject to the applicable provisions of the Bankruptcy Code.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Key Employee Retention Plan

On December 18, 2022, the Board of Directors (the “Board”) of Core Scientific, Inc. (the “Company”) approved and adopted the Core Scientific Key Employee Retention Plan (the “KERP”), which will provide retention awards to certain key employees, including certain of the Company’s named executive officers. Executive KERP amounts were paid upon adoption of the KERP, subject to possible clawback if the executive voluntarily terminates employment prior to vesting. The executive KERP awards will become vested upon the earlier of (a) twelve (12) months following execution of the KERP agreement and (b) the occurrence of a specified restructuring event, as defined in the KERP. If an executive participant is terminated for “cause” or voluntarily terminates his or her employment with the Company without “good reason” (each as defined in the KERP) prior to the award becoming vested, the executive participant will forfeit the award and must repay the Company the gross (pre-tax) amount of such award.

In addition, the Compensation Committee of the Board has approved increases in the annual base salaries of certain executive officers.

The KERP and the salary increases were formulated based upon the recommendations of the independent compensation consultant of the Compensation Committee of the Board.

The following sets forth the amount awarded under the KERP and the increased salary amount for the Company's Named Executive Officers:

| <u>Named Executive Officer</u> | <u>Retention Award Amount</u> | <u>Increased Salary Amount</u> |
|---|-------------------------------|--------------------------------|
| Todd M. DuChene <i>President and Chief Legal Officer</i> | \$ 375,000 | \$ 200,000 |
| Denise Sterling <i>Chief Financial Officer</i> | \$ 50,000 | Nil |

Item 7.01 Regulation FD Disclosure

As previously announced, in order to address liquidity and balance sheet issues, the Company engaged financial and legal advisors to consider a number of strategic alternatives the Company may take to address these issues. In connection with the review of strategic alternatives, the Company entered into discussions, and confidentiality agreements (the "Confidentiality Agreements"), with certain holders of its Convertible Notes (collectively, the "Ad Hoc Noteholders").

In connection with such discussions, and pursuant to the Confidentiality Agreements, the Ad Hoc Noteholders were provided with certain confidential information regarding the Company, which includes the materials attached hereto as Exhibit 99.1 (the "Confidential Information").

The Company is furnishing the Confidential Information on this Current Report on Form 8-K in accordance with the terms of the Confidentiality Agreements.

The Confidential Information, including any financial projections and forecasts, was not prepared with a view toward public disclosure or compliance with the published guidelines of the Securities and Exchange Commission or the guidelines established by the Public Company Accounting Oversight Board and should not be relied upon to make an investment decision with respect to the Company. The Confidential Information does not purport to present the Company's financial condition in accordance with GAAP. The Company's independent registered public accounting firm has not examined, compiled or otherwise applied procedures to the Confidential Information and, accordingly, does not express an opinion or any other form of assurance with respect to the Confidential Information. Any financial projections or forecasts were prepared for internal use, capital budgeting and other management decisions and are subjective in many respects. Any such financial projections or forecasts reflect numerous assumptions made by management of the Company with respect to financial condition, business and industry performance, general economic, market and financial conditions, and other matters, all of which are difficult to predict, and many of which are beyond the Company's control. Accordingly, there can be no assurance that the assumptions made in preparing such financial projections or forecasts will prove to be accurate. It is expected that there will be differences between actual and projected results, and the differences may be material, including due to the occurrence of unforeseen events occurring subsequent to the preparation of any financial projections or forecasts. The disclosure of the Confidential Information should not be regarded as an indication that the Company or its affiliates or representatives consider the Confidential Information to be a reliable prediction of

future events, and the Confidential Information should not be relied upon as such. The statements in the Confidential Information speak only as of the date such statements were made, or any earlier date indicated therein. Neither the Company nor any of its affiliates or representatives has made or makes any representation to any person regarding the ultimate outcome of the foregoing, and none of them undertakes any obligation to publicly update the Confidential Information to reflect circumstances existing after the date when the Confidential Information was made available to the Ad Hoc Noteholders or to reflect the occurrence of future events, even in the event that any or all of the assumptions underlying the Confidential Information are shown to be in error. The statements provided in the Confidential Information are subject to all of the cautionary statements and limitations described herein, therein and under the caption “Forward-Looking Statements.”

In accordance with General Instruction B.2 of Form 8-K, the information being furnished under this Item 7.01 pursuant to this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any registration statement or other document filed by the Company under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, except as expressly set forth by specific reference in such filing.

**Private Securities Litigation Reform Act of 1995 –
A Caution Concerning Forward-Looking Statements**

This Form 8-K includes “forward-looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as “estimate,” “plan,” “project,” “forecast,” “intend,” “will,” “expect,” “anticipate,” “believe,” “seek,” “target” or other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. The Company’s actual results may differ materially from those anticipated in these forward-looking statements as a result of certain risks and other factors, which could include the following: risks and uncertainties relating to the Company’s Chapter 11 Cases including but not limited to, the Company’s ability to obtain Bankruptcy Court approval with respect to motions in its Chapter 11 Cases, successfully enter into and implement a restructuring plan, emerge from Chapter 11 and achieve significant cash flows from operations; the effects of the Chapter 11 Cases on the Company and on the interests of various constituents, Bankruptcy Court rulings in the Chapter 11 Cases and the outcome of the Chapter 11 Cases in general, the length of time the Company will operate under the Chapter 11 Cases, risks associated with any third-party motions in the Chapter 11 Cases, the potential adverse effects of the Chapter 11 Cases on the Company’s liquidity or results of operations and increased legal and other professional costs necessary to execute the Company’s reorganization; finalization and receipt of the DIP Facility; satisfaction of any conditions to which the Company’s DIP financing is subject and the risk that these conditions may not be satisfied for various reasons, including for reasons outside of the Company’s control; the consequences of the acceleration of the Company’s debt obligations; the trading price and volatility of the Company’s common stock and the ability of the Company to remain listed on The Nasdaq Global Select Market as well as other risk factors set forth in the Company’s Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission. These statements are provided for illustrative purposes only and are based on various assumptions, whether or not identified in this press release, and on the current expectations of the Company’s management. These forward-looking statements are not intended to serve, and must not be relied on by any investor, as a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond the control of the Company. These forward-looking statements are subject to a number of risks and uncertainties, including those identified in the Company’s reports filed with the U.S. Securities & Exchange Commission, and if any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. Accordingly, undue reliance should not be placed upon the forward-looking statements.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1 [Lender Presentation](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Core Scientific, Inc.

Date: December 21, 2022

By: /s/ Todd M. DuChene

Name: Todd M. DuChene

Title: President and Chief Legal Officer



Core Scientific

Creditor Discussion Materials

November 30, 2022

Subject to FRE 408 and its Equivalents
Prepared at the Request of Counsel
Preliminary & Subject to Material Change
DRAFT
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Situation Overview

Core Scientific, Inc. ("Core" or the "Company") is facing several concurrent challenges in the macroeconomic environment, bringing about exploration of capital structure alternatives and discussions with various stakeholders within the capital structure.

Several challenges have pressured the Company's cash flows:

- 65% YTD decline in BTC prices and increase in network hash rate – 153% over the last two years – following relief of miner delivery backlog⁽¹⁾
- Increase in power costs resulting from global commodities uplift
- Crypto contagion, including related to certain Core customers who have been unable or unwilling to pay certain components of their hosting bills
- Challenges accessing capital markets

Near-term liquidity is of immediate focus, with several actions executed or being explored, among various other matters:

- Paused debt service payments to certain lenders
- Paused construction / expansion activities
- Bringing additional self-miners online
- Monitoring payables

Given the market environment, a revised business plan was prepared to maximize long-term value creation; strategy review in advance of preparing business plan involved focus on the following key topics, among others:

- Mix, regarding self-miners vs. hosted miners
- Go-forward hosting contract flexibility and related billing/economics
- Facility footprint, including both (i) expansion activities and (ii) optimization of existing facilities

Reviews of potential savings related to operating expenses, G&A, and capital expenditures are also underway

- Significant reductions in corporate overhead, with continued optimization and right-sizing of operating cost structure ongoing
- Limiting capex spend only to those facilities where expansion is necessary

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(1) Figures are as of November 27, 2022.



Highly Experienced Management Team



MIKE LEVITT
Co-Chairman and CEO

APOLLO
Morgan Stanley
Stone Tower



TODD DUCHENE
President and Chief Legal Officer

National
FLIR
fisher scientific
OfficeMax



MATT BROWN
EVP, Data Center Operations

EQUINIX
Hewlett Packard
Enterprise



DARIN FEINSTEIN
EVP, Strategy

BLACKSTONE
BLOCKCAP



RUSSELL CANN
EVP, Client Services

accenture
P&G



DENISE STERLING
CFO

OPPORTUN
VISA



MICHAEL BROS
SVP, Capital Markets and
Acquisitions

Kayne Anderson
Capital Advisors, L.P.
MERRILL LYNCH
A BANC OF AMERICA COMPANY



KATY HALL
General Counsel

Kayne Anderson
Capital Advisors, L.P.
PETERSON



JEFF TAYLOR
SVP, Chief Information
Security Officer

aws
CDKGlobal

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Company Background

Subject to FRE 408 and its Equivalents
Prepared at the Request of Counsel
Preliminary & Subject to Material Change
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Company Overview

Background

- Established in December 2017 as a digital asset mining owner-operator, using facilities and software solutions for self-mining and third-party hosting services
- Following de-SPAC merger announcement in July 2021, Core went public in January 2022
- Core has generally focused on three primary lines of business:
 - Self-Mining: Miners owned by Core, from which Core earns BTCs
 - Hosting Services: Miners owned by third-parties (whether sold by Core or purchased independently) that are hosted at Core's facilities
 - Equipment Sales: Miners sold by Core to third-parties, many of which entered hosting services contracts with Core, wherein miners would be located at Core facilities

Capital Markets History

- Core has just over \$900mm of funded debt
 - Since 2020, Core has entered into several equipment financing agreements, for both mining and non-mining assets
 - In April 2021, Core issued \$215mm of 10% (4% cash / 6% PIK) secured convertible notes
 - In August 2021, Core issued \$300mm of additional convertible notes, which became secured in 2022
 - In April 2022, Core entered into two unsecured bridge promissory notes with B.Riley totaling \$75mm; proceeds were utilized for working capital and general purposes
 - Core has partially paid down the notes with partial proceeds of the ELOC, to an outstanding balance today of \$42mm

Going Forward

- As part of its revised business plan, Core has shifted away from historical Equipment Sales, with greater focus on Self-Mining and Hosting Services

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(1) As of 11/27/22.

Key Operating Figures⁽¹⁾

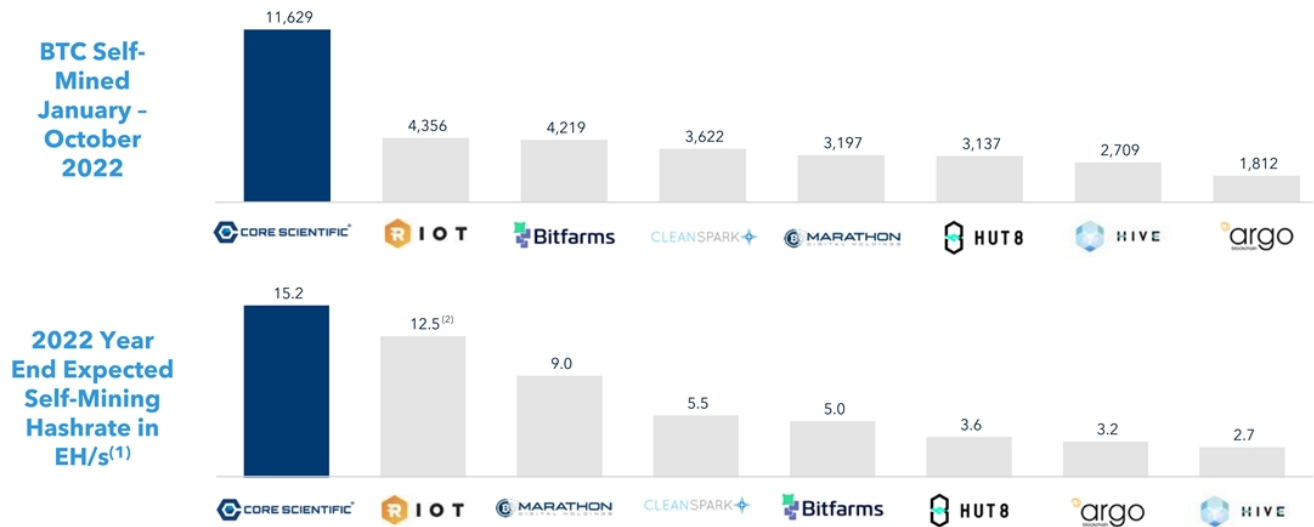
| | |
|--|-----------|
| Average BTC Mined Per Day | 45 |
| BTC Self Miners Installed | 152K |
| Self-Mining Hash Rate | ~15 EH/s |
| Self-Miners Anticipated Deployments | 32K |
| % of Miners Owned vs. Hosted | 65% / 35% |
| Operational MWs | 814 |
| # of Operating Facilities (Owned / Leased) | 3 / 3 |

Core Facilities



Market Position

Core Scientific is the leading listed Bitcoin miner.



Sources: Marathon: YE expected hashrate from Marathon Digital Holdings Q3 '22 Update; BTC self-mined from press releases; Riot: YE expected hashrate from October 2022 Production and Operations Updates; BTC self-mined from press releases; Hive: YE expected hashrate from Hive Blockchain Technologies LTD. Corporate Presentation; BTC self-mined from press releases; Bitfarms: YE expected hashrate from Third Quarter 2022 Results; BTC self-mined from press releases; Hut8: YE expected hashrate from Operating and Financial Results for Q2 2022; BTC self-mined from press releases; Argo Blockchain: YE expected hashrate from Argo Interim Half Year Results 2022; BTC self-mined from press releases; CleanSpark: YE expected hashrate from October 2022 Update; BTC self-mined from press releases.

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(1) Excludes third-party hosted capacity.
(2) Reflects Q1 2023 expected hashrate.



Capital Markets Perspectives

Core announced its SPAC transaction in July 2021

- Transaction valued Core at \$4.3bn
- Due to SPAC accounting rule changes that brought about delays, the Company's de-SPAC transaction was not consummated until January 2022

In the months after the SPAC announcement and prior to transaction close, debt markets had begun to widen

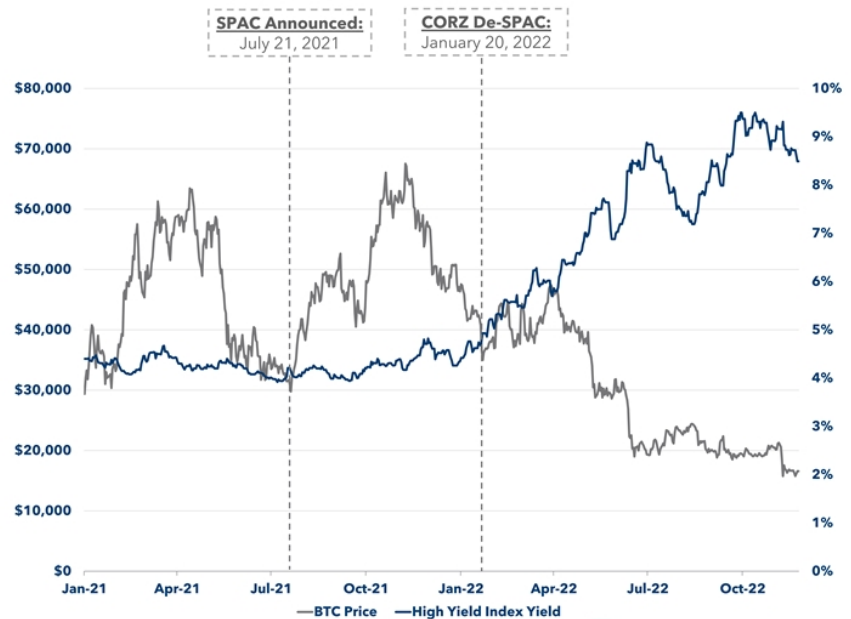
- Between July 2021 and January 2022, the HY index widened by over 100 bps
- While BTC prices increased materially following the merger announcement, BTC prices had fallen to ~\$40K by the time the transaction was completed

Market headwinds brought about immediate pressure on CORZ's stock

- With geopolitical risk rising and BTC pricing highly volatile *and* trending downwards, CORZ stock fell over 20% in the first two days of trading following CORZ going public

Debt markets became less favorable in 2Q'22

- Any potential capital raise efforts were hampered by tighter credit markets and the geopolitical situation continuing to deteriorate



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7



Hosting Operations

Subject to FRE 408 and its Equivalents
Prepared at the Request of Counsel
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Hosting Operations Overview

Core Hosting History

- In 2020, access to mining equipment was limited for a variety of reasons
 - Core's relationship with a key OEM allowed Core to provide third parties with access to miners
- Core was able to sell hardware "bundled" with hosting, bringing cash upfront via equipment sales
 - While hosting contracts were not particularly profitable, margins were subsidized by profits earned upon upfront sale of miners to third parties
- Bitmain has since opened a U.S. office to sell directly to customers, such as Core's existing hosting customers

Hosting Business Rationale

- Hosting diversifies the Company's revenue streams, as end-to-end self-mining-only operations can be challenging to navigate through volatility cycles
- \$ USD revenues from hosting services can be used to cover expenses paid in \$ USD, to the extent BTCs mined are not sold immediately upon generation

Core's Competitive Positioning

- Core has positioned itself as a premium provider of hosting services to third-party miners, with high quality facilities that provide the optimal operating environment for consistent performance
 - Customers can take advantage of consistent high uptime % - despite slightly higher hosting price with Core - by producing add'l BTCs
 - Customers recognize increased BTC production resulting from high uptime, which is especially valuable when BTC prices are high and the opportunity cost of not mining is concurrently high
 - Many competitors position themselves as low-cost, though inconsistent uptime can have a detrimental opportunity cost impact as they do not provide as optimal of an operating environment for customers' hosted miners
 - Direct maintenance of third-party machines in order to minimize downtime and maximize ROI for customers
 - Core's facilities include onsite technicians available 24/7 for repair
- Core can deploy a significant number of miners per day per site and is agnostic to what vendor developed the miner/hardware
- Core uses custom software to manage GPU and ASIC miners remotely
 - Software allows for real-time performance monitoring, historical data analysis, deployment tracking, and instant adjustment of voltage draws

Hosting Operations Overview (Cont'd)

Core Hosting Customer Base

| Customer | Miners ⁽¹⁾ | MW ⁽¹⁾ |
|-----------------|-----------------------|-------------------|
| Customer 1 | 10,000+ | 250+ |
| Customer 2 | 5,000-10,000 | 10-50 |
| Customer 3 | 5,000-10,000 | 10-50 |
| Customer 4 | 5,000-10,000 | 10-50 |
| Customer 5 | 250-5,000 | 1-10 |
| Customer 6 | 250-5,000 | 1-10 |
| Customer 7 | 250-5,000 | 1-10 |
| Customer 8 | 250-5,000 | 1-10 |
| Other Customers | < 250 | < 1 |
| Total | 107K | 347 |

Hosting Focus

- Core is focused on maintaining and building stable hosting relationships with strategic, large-scale, high-quality customers
 - Larger, professionally-managed customers benefit more from Core's premium hosting value proposition (i.e., high uptime, software solutions)
 - Customers with higher miner counts are more likely to generate consistent cash flows needed to pay Core
- Since its peak at 40 customers, Core currently has 14 customers

Generic Hosting Contract Components

Fixed Fees:

- Installation Fees
- Configuration
- Ongoing Base Fees
- Optional Miner Maintenance

Variable Fees:

- Hourly Rates
- Power Pass Throughs ("PPT")

Celsius Dispute

Core and Celsius Network LLC ("Celsius") have been engaged in litigation over the past few months, with Celsius refusing to pay post-petition power pass-through costs that the contract permits Core to charge.

Since filing for chapter 11, Celsius has refused to pay Core for post-petition power pass-through costs and the automatic stay has prevented Core from exercising self-help remedies

- Celsius has not paid post-petition and certain pre-petition power pass-through costs to Core, resulting in (i) ~\$1.6mm of outstanding pre-petition amounts Celsius still owes to Core and (ii) ~\$5.2mm in outstanding post-petition amounts Celsius still owes to Core (includes accrued amounts through September)

| (\$ in millions) | May-June 22 | July 22 | August 22 | September 22 | October 22 | Total |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Hosting (Pre-Petition) | \$0.1 | - | - | - | - | \$0.1 |
| Power (Pre-Petition) | 0.9 | 0.6 | - | - | - | 1.5 |
| Power (Post-Petition) | - | 0.4 | 1.7 | 1.5 | 1.5 | 5.2 |
| Total | \$1.0 | \$1.0 | \$1.7 | \$1.5 | \$1.5 | \$6.7 |
| <i>Memo: Cumulative</i> | <i>\$1.0</i> | <i>\$2.0</i> | <i>\$3.7</i> | <i>\$5.2</i> | <i>\$6.7</i> | <i>\$6.7</i> |

Of the ~88K miners hosted by Core (but not owned by Core), Celsius owns ~36K miners⁽¹⁾



Self-Mining Operations

Subject to FRE 408 and its Equivalents
Prepared at the Request of Counsel
Preliminary & Subject to Material Change
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Self-Mining Operations Overview

In addition to Hosting, the Company has participated in self-mining since inception

- Self-mining's share of total miners has grown substantially, from 10% in 2020 to 65% today, in part due to the Blockcap acquisition (previously one of Core's largest hosting customers) in July 2021

Almost all of Core's miners are produced by Bitmain Technologies

Core has ~152K BTC self-miner rigs operational, with anticipated deployments of ~2K incremental self-miners through year-end 2022 and ~30K further incremental self-miner deployments through April 2023

- Costs related to miners to be delivered are limited to shipping / customs, as Core will be able to utilize credits / pre-payments in order to fund the actual cost of the miners
- The majority of the Company's self-miners are S19s, S19 Pros, and S19j Pros; several of upcoming miner deployments will be S19 XPs

Core expects to reach a 184K run-rate self-miner total in April 2023

Since 2020, the Company has entered into several equipment financing agreements - with \$278mm⁽³⁾ currently outstanding - to purchase mining equipment

- Of Core's self-miners, ~91K are financed by equipment loans
- The remaining miners - 93K - are / will be owned outright by the Company

| Key Self-Mining Operating Figures ⁽¹⁾ | |
|--|-------------|
| S19 Base | 30K |
| S19 Pro | 16K |
| S19j Pro | 102K |
| S19 XP | 4K |
| Total Self-Miners⁽²⁾ | 152K |
| Number of Self-Miners Financed | 91K |
| Average Miner Hashrate | 101 TH/s |
| Total Self-Mining Hashrate | ~15 EH/s |



S19
34.5 J/TH/s



S19 Pro
29.5 J/TH/s



S19j Pro
29.5 J/TH/s



S19 XP
21.5 J/TH/s



(1) As of 11/27/22.

(2) PROPRIETARY & CONFIDENTIAL

(3) Excludes non-BTC miners.

(3) Reflects principal plus accrued interest through 12/15/22.

Self-Mining Equipment Financing Perspective

Of Core's 184K self-mining rigs (inclusive of 32K incremental miners anticipated to be deployed by April 2023), 91K are owned under various equipment financings.

| Lender | Miner Models Mix | # of Miners | Average TH / Miner | Principal Outstanding (\$mm) ⁽¹⁾ |
|--------------|------------------|-------------|--------------------|---|
| Mass Mutual | S19, S19j Pro | ~29K | 97 | \$107 |
| BlockFi | S19 Pro | ~15K | 99 | 55 |
| NYDIG | S19, S19j Pro | ~27K | 96 | 40 |
| Anchor | S19 | ~5K | 97 | 26 |
| Trinity | S19j Pro | ~6K | 98 | 23 |
| Liberty | S19j Pro | ~9K | 102 | 28 |
| Total | | ~91K | 99 | \$278 |

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(1) Reflects principal plus accrued interest through 12/15/22.





General Operations

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Facilities Overview

| Location | Type of Transaction | Land (acres) | Current Operational Capacity (in MWs) ⁽¹⁾ | Buildings (ft ²) | Status |
|-----------------------------|---------------------|--------------|--|------------------------------|---------------------------------------|
| Marble, NC | Owned | 70 | 104 | +/- 250,000 | At Capacity |
| Dalton, GA | Owned | 20 | 195 | +/- 300,000 | At Capacity |
| Calvert City, KY | Owned | 15 | 150 | +/- 60,000 | At Capacity |
| Grand Forks, ND | Leased | 20 | 100 | +/- 90,000 | At Capacity, Possible Expansion |
| Denton, TX | Leased | 31 | 125 | +/- 300,000 | At Capacity, Expansion Anticipated |
| Pecos, TX ("Cottonwood") | Leased | 100 | 140 | +/- 125,000 | At Capacity, Possible Expansion |

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(1) Does not reflect total potential MWs available at facility.



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Power Overview

Power History

- Core has rapidly scaled power consumption, especially in Texas
 - Texas facilities have no minimum usage requirement, though there are certain limited adders to certain facilities on account of RECs, REPs, and consulting fees
- Commodity price volatility has brought about significant increases in the delivered price of power over the past several months

Future Power Costs

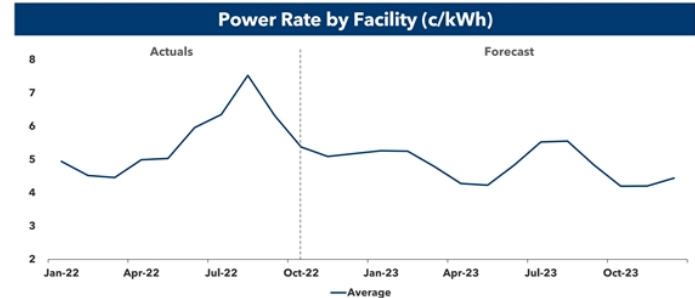
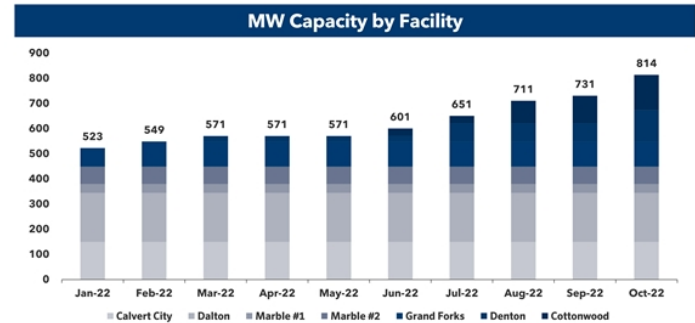
- Core's power prices are projected to fall on account of both (i) declining commodity / natural gas pricing (relative to early-to-mid 2022) and (ii) greater MW utilization at its Texas facilities, spreading demand charges across a larger MW base

Hedging / Fixed Pricing

- The Company is in the process of exploring fixed power pricing at certain facilities via potential hedging structures

Controllable Load Resource ("CLR") / Grid Payments

- Several Core machines recently passed tests to become CLRs in ERCOT, allowing for Core to scale power consumption up and down within seconds by reacting to real-time signals from ERCOT, assisting with grid load balancing
- Certain facilities outside of Texas have similar programs, though curtailment must be signaled well in advance and last for a previously stipulated period of time (i.e., greater visibility)



Power Background by Facility

| Facility | Location | Current Operational Capacity (MW) | Total Available Capacity (MW) | Power Company | Term / Expiration |
|--------------|------------------|-----------------------------------|-------------------------------|----------------------------------|-------------------|
| Marble 1 | Marble, NC | 35 | 35 | TVA-Murphy Power | Auto-renewal |
| Marble 2 | Marble, NC | 69 | 69 | Duke Carolinas | Dec. 2022 |
| Dalton Brown | Dalton, GA | 53 | 53 | Dalton Utilities | Dec. 2022 |
| Dalton Green | Dalton, GA | 142 | 142 | Dalton Utilities | Dec. 2022 |
| TVA Calvert | Calvert City, KY | 150 | 150 | TVA Direct | Apr. 2029 |
| Grand Forks | Grand Forks, ND | 100 | 100 | Minnkota / NoDak | Dec. 2026 |
| Denton | Denton, TX | 125 | 297 | ERCOT (Supplier: City of Denton) | Sept. 2028 |
| Cottonwood | Pecos, TX | 140 | 140 | ERCOT (Supplier: Shell) | 1 month |

Expansion Overview

Denton Expansion

- Denton build-out in process throughout 2022, with 125MW of current capacity
- Core anticipates expanding the Denton site
 - Denton expansion anticipated to cost an incremental ~\$42mm (inclusive of past due invoices and power deposits, subject to continuing review) with payments anticipated between March 2023 and May 2023
 - Expansion would add an additional 172MW
 - Implies cost per incremental MW of ~\$200K (excl. power deposits)
 - Following completion of expansion, Denton capacity will be 297MW
- Future Denton expansion predicated on committed hosting demand
 - Certain hosting customers have expressed a desire to increase their hosting presence with Core
 - Core's hosting services are particularly attractive to customers given the Company's focus on operating the highest quality facilities, which utilize impactful software and result in the high uptime for customers





Near-Term Liquidity

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13-Week Cash Flow Forecast Assumptions

| | | Description |
|--------------------------|---------------------------------|--|
| Operating Cash Flows | Self-Mining Proceeds | <ul style="list-style-type: none"> > Based on actual performance through November 13, 2022 and underlying business plan thereafter > Assumes step-down to \$15,000 BTC price and held flat until emergence; BTC sold as mined |
| | Hosting Payments | > Based on forecasted weekly receipts through 2022 and the underlying business plan thereafter (monthly payments distributed pro rata across weeks) |
| | Equipment Sales | > Excluded / none anticipated |
| | Power & Operating Costs | <ul style="list-style-type: none"> > Based on forecasted weekly disbursements through 2022 and underlying business plan thereafter (monthly spend distributed pro rata across weeks) > All employees, utilities and vendors are paid in the ordinary course on pre- and post-petition amounts |
| | Capital Expenditures | > Forecasted period includes payments for past due construction invoices, developer fee, and miner capex (customs / shipping only) |
| | Insurance | <ul style="list-style-type: none"> > One-time \$2.5mm payment in early December > Remaining insurance premiums paid monthly in equal amounts |
| Restructuring Cash Flows | In-Court Timing | > 45-day process with filing week ending Dec. 18, 2022 and emergence week ending Feb. 5, 2023 |
| | Restructuring Professional Fees | > Includes company, convertible note, and equipment loan (counsel only) professionals, plus US Trustee |
| | Utility Deposits | <ul style="list-style-type: none"> > Per above, utilities assumed to be paid in the ordinary course on pre- and post-petition amounts > \$15mm in utility deposits for adequate assurance - bulk of which is anticipate to be returned to the Company upon emergence - and other matters⁽¹⁾ |
| | Debt Service Costs | > Includes debt service costs for non-miner equipment loans, assumed to be paid in ordinary course |
| | DIP Financing | > \$50mm DIP which rolls into Exit Term Loan at emergence, including 1.5% upfront fee, 1.5% exit fee, 10% interest rate |

13-Week Cash Flow Forecast⁽¹⁾

| | Forecast | Forecast | Forecast | Forecast | Filing Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Exit Forecast |
|-------------------------------------|----------------|-----------------|----------------|-----------------|--------------------|-----------------|-----------------|----------------|----------------|----------------|----------------|-----------------|------------------|
| Week Starting | 11/14/2022 | 11/21/2022 | 11/28/2022 | 12/5/2022 | 12/12/2022 | 12/19/2022 | 12/26/2022 | 1/2/2023 | 1/9/2023 | 1/16/2023 | 1/23/2023 | 1/30/2023 | |
| Week Ending | 11/20/2022 | 11/27/2022 | 12/4/2022 | 12/11/2022 | 12/18/2022 | 12/25/2022 | 1/1/2023 | 1/8/2023 | 1/15/2023 | 1/22/2023 | 1/29/2023 | 2/5/2023 | |
| Operating Statistics | | | | | | | | | | | | | |
| BTC Mined | | 341 | 349 | 354 | 354 | 354 | 363 | 414 | 414 | 414 | 414 | 429 | |
| BTC Sold | | 341 | 349 | 354 | 354 | 354 | 363 | 414 | 414 | 414 | 414 | 429 | |
| BTC Price | | 16,000 | 15,500 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | |
| Operating Cash Flows | | | | | | | | | | | | | |
| Self-Mined BTC Held Value | \$2.8 | \$- | \$- | \$- | \$- | \$- | \$- | \$- | \$- | \$- | \$- | \$- | \$- |
| Self-Mined BTC Sale Proceeds | 6.6 | 5.5 | 5.4 | 5.3 | 5.3 | 5.3 | 5.4 | 6.2 | 6.2 | 6.2 | 6.2 | 6.4 | |
| Self-Mined BTC Proceeds | 9.4 | 5.5 | 5.4 | 5.3 | 5.3 | 5.3 | 5.4 | 6.2 | 6.2 | 6.2 | 6.2 | 6.4 | |
| Hosting Payments | 1.0 | 9.8 | 0.8 | - | 0.0 | 9.7 | - | 2.5 | 2.5 | 2.5 | 2.5 | 2.0 | |
| Net Receipts | \$10.3 | \$15.2 | \$6.2 | \$5.3 | \$5.4 | \$15.0 | \$5.4 | \$8.7 | \$8.7 | \$8.7 | \$8.7 | \$8.5 | |
| Power Costs | (5.5) | (14.4) | (7.8) | (6.6) | (2.2) | (3.0) | (14.1) | (7.4) | (7.4) | (7.4) | (7.4) | (7.3) | |
| Operating Costs | (1.5) | (6.4) | (1.0) | (2.3) | (1.2) | (2.1) | (0.8) | (1.4) | (1.4) | (1.4) | (1.4) | (1.8) | |
| Insurance (TBD) | - | - | - | (2.5) | - | - | - | - | - | - | - | - | |
| Tax Payments | - | - | - | - | - | - | - | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | |
| Net Operating Disbursements | (\$7.0) | (\$20.8) | (\$8.9) | (\$11.4) | (\$3.4) | (\$5.1) | (\$14.9) | (\$8.8) | (\$8.8) | (\$8.8) | (\$8.8) | (\$9.2) | |
| Construction & Infrastructure Capex | (0.2) | - | (0.2) | (0.4) | (2.2) | - | - | (0.9) | - | - | - | - | |
| Miner Capex | - | (0.7) | - | - | - | (0.8) | - | - | - | - | - | - | |
| Net Capital Expenditures | (\$0.2) | (\$0.7) | (\$0.2) | (\$0.4) | (\$2.2) | (\$0.8) | \$0.0 | (\$0.9) | \$0.0 | \$0.0 | \$0.0 | \$0.0 | |
| Total Operating Cash Flows | \$3.1 | (\$6.2) | (\$2.9) | (\$6.5) | (\$0.2) | \$9.1 | (\$9.5) | (\$1.0) | (\$0.1) | (\$0.1) | (\$0.1) | (\$0.7) | |
| Non-Operating Cash Flows | | | | | | | | | | | | | |
| Professional Fees | (\$0.8) | (\$1.5) | (\$1.3) | (\$3.2) | (\$4.7) | \$0.0 | \$0.0 | (\$0.3) | \$0.0 | \$0.0 | \$0.0 | (\$19.3) | |
| Utility Deposits | - | - | - | - | - | (10.0) | - | - | - | - | - | 10.0 | |
| Debt Service Costs | (0.4) | - | (0.4) | (0.0) | (0.4) | - | - | (0.3) | (0.0) | (0.4) | - | (0.3) | |
| DIP Interest & Fees | - | - | - | - | (0.8) | - | - | - | - | - | - | (1.4) | |
| Other | - | - | - | (5.0) | - | - | - | - | - | - | - | - | |
| Net Non-Operating Cash Flows | (\$1.2) | (\$1.5) | (\$1.6) | (\$8.2) | (\$5.8) | (\$10.0) | \$0.0 | (\$0.6) | (\$0.0) | (\$0.4) | \$0.0 | (\$11.0) | |
| Liquidity Balances | | | | | | | | | | | | | |
| Starting Cash Balance | \$27.5 | \$29.5 | \$21.7 | \$17.2 | \$2.5 | \$46.4 | \$45.5 | \$36.0 | \$34.4 | \$34.3 | \$33.8 | \$33.7 | |
| DIP Financing | - | - | - | - | 50.0 | - | - | - | - | - | - | - | |
| Net Cash Flow | 1.9 | (7.8) | (4.5) | (14.7) | (6.1) | (0.9) | (9.5) | (1.6) | (0.1) | (0.5) | (0.1) | (11.7) | |
| Ending Cash Balance | \$29.5 | \$21.7 | \$17.2 | \$2.5 | \$46.4 | \$45.5 | \$36.0 | \$34.4 | \$34.3 | \$33.8 | \$33.7 | \$22.0 | |

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1. In accordance with Item 10(e)(1)(ii) of Regulation S-K, a quantitative reconciliation of a forward-looking non-GAAP financial measure is only required to the extent it is available without unreasonable efforts. The Company does not currently have sufficient data to accurately estimate the variables and individual adjustments for such reconciliation, or to quantify the probable significance of these items at this time. The adjustments required for any such reconciliation of the Company's forward-looking non-GAAP financial measures cannot be accurately forecasted by the Company, and therefore the reconciliation has been omitted.





Business Plan

Subject to FRE 408 and its Equivalents
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Business Plan Background & Strategy

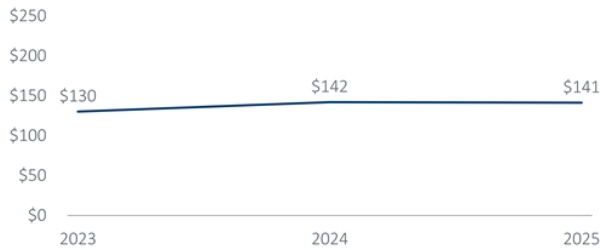
| | |
|--|--|
| Self-Miners | <ul style="list-style-type: none"> > Assumes 165K self-miners beginning in January 2023, growing to 184K self-miners by April 2023 > All BTCs produced assumed to be sold soon after mining |
| Hosted Mining | <ul style="list-style-type: none"> > Assumes 108K miners in October 2022, falling to 56K in March 2023, before rising again to 107K in June 2023 > Hosted customers pay base fee and full power pass-through |
| Equipment Sales | <ul style="list-style-type: none"> > No new equipment sales |
| Facilities | <ul style="list-style-type: none"> > Six facilities utilized with aggregate potential power consumption of 986MW > Expansion of 172MW at Denton during 2Q 2023 |
| BTC Pricing / Network Hash Rate | <ul style="list-style-type: none"> > BTC implied by flat 6.5c/TH/s-day > Prior to 2024 halving event, network hash rate of 232 EH/s > Following 2024 halving event, BTC price unchanged and network hashrate implied by flat 6.5c/TH/s-day |
| Capital Expenditures | <ul style="list-style-type: none"> > Development at Denton facility completed with \$42mm incremental cash spend, including past due invoices and power deposits |
| New Money | <ul style="list-style-type: none"> > DIP financing converted into new \$50mm Exit Term Loan upon emergence > New \$45mm Denton mortgage facility |

Business Plan Assumptions

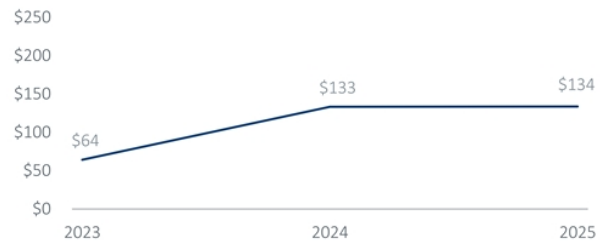
| | | |
|------------------------|------------------------------------|--|
| | BTC Price | > \$16,500 post-emergence |
| Self-Mining | Miners | > 143K miners in October 2022 increasing to 184K by April 2023 |
| | Avg. Miner Hash Rate (TH/s) | > 98.5 TH/s in October 2022 increasing to 100.0 TH/s by March 2023 |
| | Uptime | > 90%+, consistent with historical figures |
| Hosting | Miners | > 88K miners in October 2022, falling to 56K in March 2023, before rising again to 107K in June 2023 |
| | Avg. Fee | > ~8c/kWh, beginning in January 2023 |
| | Uptime | > 90%+, consistent with historical figures |
| Equipment Sales | Units Sold | > No equipment sales assumed for the projected period |
| | Cost per Unit | |
| Power Costs | Avg. Rate | > ~5c/kWh, including incremental costs for hedging |
| | Uptime | > 90-95% |
| Non-Power Costs | Payroll & Benefits | > ~250 personnel, with no growth assumed > ~\$2mm / month |
| | Non-Payroll | > Facilities repair and maintenance, equipment and supplies, break fix parts, security > R&D > Business insurance, rent, taxes > ~\$6mm / month |

Business Plan Key Takeaways

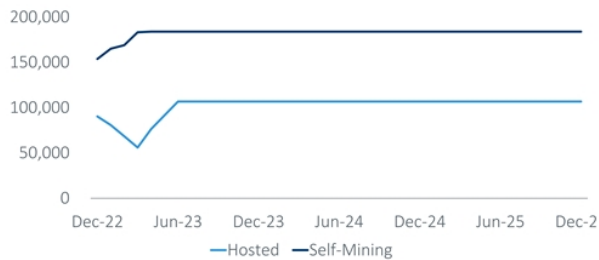
ADJUSTED EBITDA



UNLEVERED FREE CASH FLOW



NUMBER OF MINERS DEPLOYED



DAILY AVERAGE BTC MINED



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Business Plan Monthly Liquidity⁽¹⁾

(\$ in millions, unless specified otherwise)

| | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|-----------------|-----------------|-----------------|----------------|----------------|----------------|
| Revenue | | | | | | | | | | | | | | | | | | |
| Digital Asset Mining | \$30.2 | \$28.8 | \$33.7 | \$34.0 | \$35.2 | \$34.1 | \$33.4 | \$33.4 | \$34.1 | \$35.2 | \$34.1 | \$35.2 | \$35.2 | \$32.9 | \$35.2 | \$34.1 | \$35.2 | \$34.1 |
| Hosting | 15.1 | 11.5 | 10.4 | 11.9 | 15.6 | 17.9 | 18.8 | 18.8 | 19.2 | 19.9 | 19.2 | 19.9 | 19.9 | 18.6 | 19.9 | 19.2 | 19.9 | 19.2 |
| Equipment Sales | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Blockchain Technology | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenue | \$45.3 | \$40.3 | \$44.1 | \$45.9 | \$50.8 | \$51.9 | \$52.2 | \$52.2 | \$53.3 | \$55.1 | \$53.3 | \$55.1 | \$55.1 | \$51.5 | \$55.1 | \$53.3 | \$55.1 | \$53.3 |
| COGS | | | | | | | | | | | | | | | | | | |
| Power | \$32.7 | \$29.1 | \$28.9 | \$26.3 | \$27.7 | \$32.0 | \$38.1 | \$38.2 | \$33.0 | \$30.2 | \$28.6 | \$30.9 | \$40.5 | \$38.1 | \$36.3 | \$30.3 | \$29.8 | \$32.8 |
| Facilities Operations | 2.2 | 2.1 | 3.7 | 2.4 | 2.6 | 4.5 | 2.8 | 2.8 | 4.3 | 2.7 | 2.7 | 4.4 | 3.3 | 3.3 | 3.3 | 3.3 | 3.3 | 3.3 |
| Stock Based Compensation | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| Facilities Depreciation + Miner Depreciation | 23.8 | 24.4 | 26.0 | 25.1 | 25.2 | 25.3 | 25.3 | 25.3 | 25.3 | 25.3 | 25.3 | 17.0 | 17.0 | 17.0 | 17.0 | 17.0 | 17.0 | 17.0 |
| Equipment Sales | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total COGS | \$59.5 | \$56.3 | \$59.2 | \$54.5 | \$56.2 | \$62.5 | \$66.9 | \$67.1 | \$63.4 | \$58.9 | \$57.3 | \$52.9 | \$61.4 | \$58.9 | \$57.1 | \$51.1 | \$50.7 | \$53.6 |
| Gross Profit | (\$14.2) | (\$16.0) | (\$15.1) | (\$8.6) | (\$5.3) | (\$10.5) | (\$14.7) | (\$14.9) | (\$10.1) | (\$3.8) | (\$3.9) | \$2.2 | (\$6.3) | (\$7.4) | (\$2.0) | \$2.2 | \$4.4 | (\$0.3) |
| Operating Expenses | | | | | | | | | | | | | | | | | | |
| Research and Development | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 |
| SG&A (excl. Advisor Fees) | 3.7 | 4.8 | 4.6 | 4.2 | 4.4 | 4.5 | 4.0 | 4.0 | 4.6 | 4.4 | 4.4 | 4.4 | 4.3 | 4.3 | 4.3 | 4.3 | 4.3 | 4.3 |
| Depreciation and Amortization | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Stock Based Compensation | 5.1 | 5.1 | 5.1 | 5.0 | 5.0 | 5.0 | 4.9 | 4.9 | 4.9 | 4.8 | 4.8 | 4.8 | 4.7 | 4.7 | 4.7 | 4.7 | 4.7 | 4.7 |
| Total Operating Expenses | \$9.4 | \$10.4 | \$10.3 | \$9.8 | \$10.0 | \$10.1 | \$9.5 | \$9.5 | \$10.1 | \$9.9 | \$9.8 | \$9.8 | \$9.6 | \$9.6 | \$9.6 | \$9.6 | \$9.6 | \$9.6 |
| Adj. EBIT | (\$23.5) | (\$26.4) | (\$25.4) | (\$18.3) | (\$15.3) | (\$20.6) | (\$24.2) | (\$24.4) | (\$20.1) | (\$13.6) | (\$13.7) | (\$7.6) | (\$15.9) | (\$17.0) | (\$11.7) | (\$7.4) | (\$5.2) | (\$9.9) |
| (+) Depreciation & Amortization | 24.0 | 24.6 | 26.2 | 25.3 | 25.4 | 25.5 | 25.5 | 25.5 | 25.5 | 25.5 | 25.5 | 17.2 | 17.2 | 17.2 | 17.2 | 17.2 | 17.2 | 17.2 |
| (+) Stock Based Compensation | 5.8 | 5.8 | 5.8 | 5.7 | 5.7 | 5.7 | 5.6 | 5.6 | 5.6 | 5.5 | 5.5 | 5.5 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 |
| (+) Restructuring | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Adj. EBITDA | \$6.3 | \$3.9 | \$6.6 | \$12.7 | \$15.8 | \$10.6 | \$6.9 | \$6.8 | \$11.0 | \$17.4 | \$17.3 | \$15.0 | \$6.6 | \$5.5 | \$10.8 | \$15.1 | \$17.3 | \$12.5 |
| % Adj. EBITDA Margin | 14% | 10% | 15% | 28% | 31% | 20% | 13% | 13% | 21% | 32% | 32% | 27% | 12% | 11% | 20% | 28% | 31% | 23% |
| (-) Miner Capex | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (-) Past Due Invoices | (0.9) | (0.3) | (0.2) | (0.4) | (0.4) | (0.4) | (0.4) | (0.4) | (0.4) | (0.4) | (0.4) | (0.4) | (0.4) | (0.4) | (0.4) | (0.4) | (0.4) | (0.4) |
| (-) Construction Capex for Expansion | - | - | (38.3) | (2.0) | (2.0) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (-) Advisor Fees | (18.3) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (-) Cash Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (0.9) | - | - | (0.9) |
| Unlevered Free Cash Flow | (\$12.9) | \$3.6 | (\$31.8) | \$10.2 | \$13.3 | \$10.1 | \$6.5 | \$6.3 | \$10.6 | \$17.0 | \$16.9 | \$14.6 | \$6.1 | \$5.1 | \$9.5 | \$14.6 | \$16.9 | \$11.2 |

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Appendix

Additional Company Information

Subject to FRE 408 and its Equivalents
Prepared at the Request of Counsel
Preliminary & Subject to Material Change
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Capital Structure

(\$ in millions)

| | Maturity | Interest Rate | Amount Outstanding | LTM Leverage | Total Interest |
|--|----------|----------------------|--------------------|--------------|----------------|
| Convertible Notes Tranche 1 | Apr-25 | 10.0% ⁽¹⁾ | \$234 | | \$23 |
| Convertible Notes Tranche 2 | Apr-25 | 10.0% ⁽¹⁾ | 318 | | 32 |
| Miner Equipment Financing | Various | 12.5% ⁽²⁾ | 273 | | 34 |
| Non-Miner Financing | Various | 7.6% ⁽²⁾ | 31 | | 2 |
| Secured Debt | | | \$857 | 2.4x | \$92 |
| B. Riley Notes | Jun-23 | 7.0% | 42 | | 3 |
| Novak Loan | Jan-23 | 10.0% | 10 | | 1 |
| Total Debt | | | \$908 | 2.5x | \$96 |
| (-) Cash and Cash Equivalents (incl. BTCs) | | | (30) | | |
| Net Debt | | | \$879 | 2.5x | |

Memo:

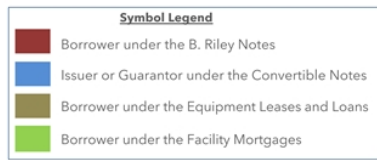
| | |
|---|-------|
| LTM Adjusted EBITDA (as of 6/30/22) | \$358 |
| Cash and Cash Equivalents (incl. BTCs) (as of 11/21/22) | 30 |

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(1) 4% cash, 6% PIK.

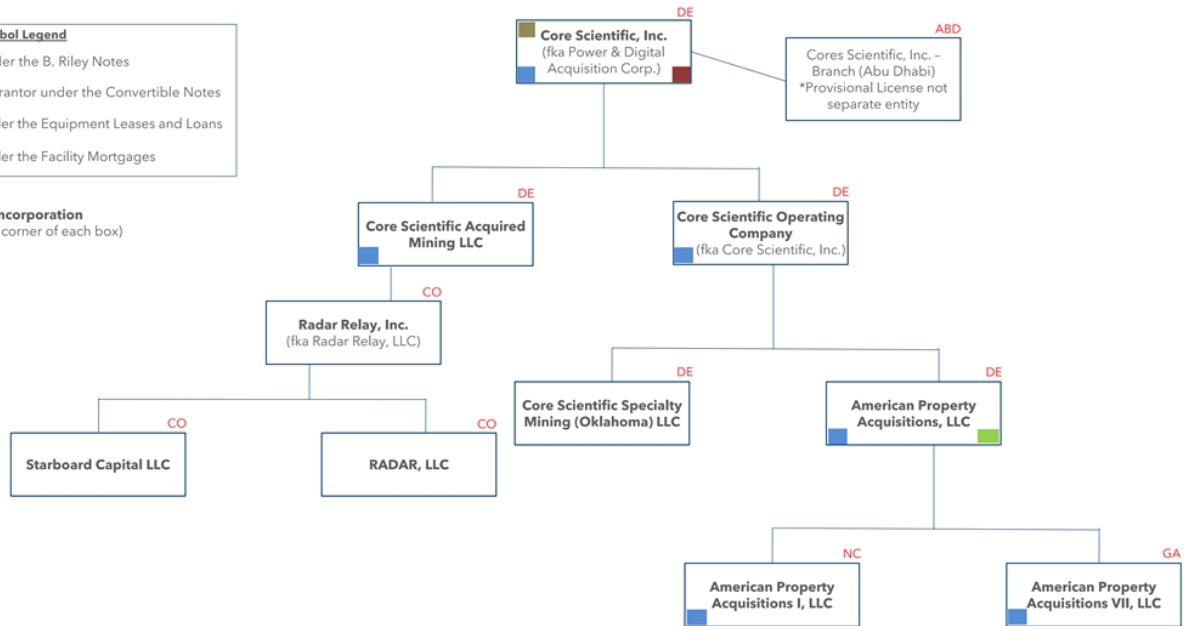
(2) Weighted average across multiple contracts.

Organizational Structure



State of Formation/Incorporation
(as shown at top right corner of each box)

ABD = Abu Dhabi
CO = Colorado
DE = Delaware
GA = Georgia



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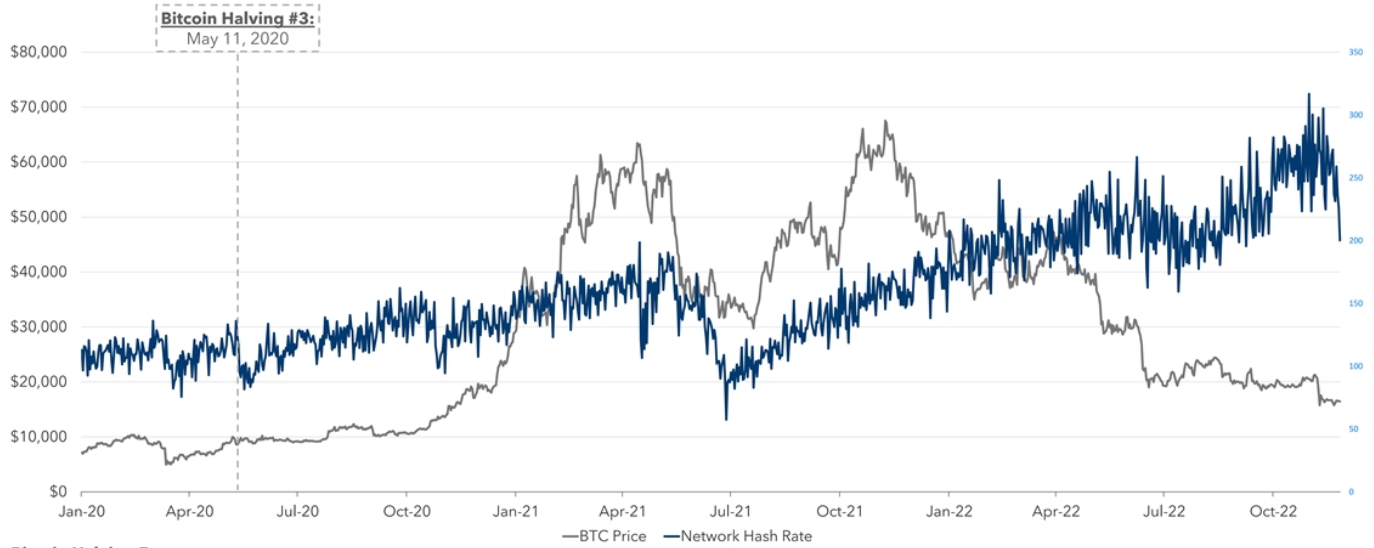
Appendix

Key Market Data & Statistics

Subject to FRE 408 and its Equivalents
Prepared at the Request of Counsel
Preliminary & Subject to Material Change
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Historical BTC Prices / Network Hash Rates



Bitcoin Halving Events

- #1: November 2012
- #2: July 2016
- #3: May 2020
- #4: April 2024 (expected)

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Hash Price (\$ per TH/s-day)



Bitcoin Halving Events

- #1: November 2012
- #2: July 2016
- #3: May 2020
- #4: April 2024 (expected)

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 Source: Luxor Technology Corp.

